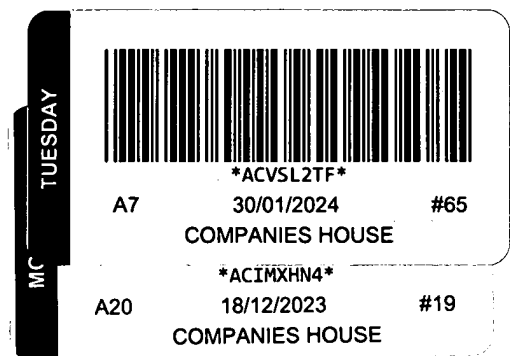


Charity registration number 1131991

Company registration number 03618159 (England and Wales)

VALUES ACADEMY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



VALUES ACADEMY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Phillips E Rowe R Grindey (Appointed 6 July 2022)
Charity number	1131991
Company number	03618159
Principal address	15 Key Hill Hockley Birmingham B18 5PB
Registered office	15 Key Hill Hockley Birmingham B18 5PB
Auditor	LMH Accountants Limited T/A Trevor Jones & Co Old Bank Chambers 582-586 Kingsbury Road Erdington Birmingham B24 9ND

VALUES ACADEMY

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VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their report and accounts for the year ended 31 March 2023.

Values Academy (the Academy, the Charity or VA) is registered with the Charity Commission (charity number 1131991). It is a company limited by guarantee registered in England under number 03618159. Its registered office is at 15 Key Hill, Hockley Birmingham B18 5PB.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", effective January 2015.

Objectives and activities

The Objects for which the charity is constituted, are:

1. To advance the full-time or part-time education of children and young people who, by reason of exclusion from education or otherwise by special educational needs, may not for any period receive suitable provision unless alternatives are made for them.
2. To promote or advance for the benefit of the social welfare or education of people living in the area of benefit in which the charity operates recreation or other leisure time occupations for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances with a view to improving the conditions of life for such persons.

Values Academy is a Charity that operates two schools in Birmingham and Nuneaton. It is responsible for educating between 30 and 40 secondary school-age children, delivering values-based education at its core, with a commitment to ensure the best possible outcomes for our young people. Teaching and learning are underpinned by our values of: Respect, Courage, Honesty, Compassion and Integrity.

Public Benefit

The Trustees consider that these objectives, activities and goals have a clear public benefit in enhancing the educational, economic, social and cultural well-being of young people.

In drafting these statements, the Trustees have complied with the duty in Chapter 1, Section 4 of the Charities Act 2012, to have due regard to the public benefit guidance published by the Charity Commission.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

The 2022-23 school year has proved extremely challenging for Values Academy, with strategic business development not keeping pace with the financial requirements of the Charity, which generated only a small surplus of circa £28k for the financial year. Staff retention and recruitment has suffered, and a highly negative Ofsted rating for our Nuneaton school in November 2022, created an understandably high level of pressure for the CEO, Senior Leadership Team (SLT) and Trustees, alike.

Strategic planning and clear business development objectives and forecasts have not been in evidence this financial year, with senior management's time more focused on operational matters. In addition, the changing landscape – as demonstrated in the government green papers from March 2022 and 2023⁽¹⁾, recommending a funding switch to support the inclusion of more SEND pupils into main stream education – highlighted the risks to Values Academy of not prioritising enough time to the areas of market analysis, business networking and the creation of accurate opportunity pipelines, to assist in the forecasting of future pupil numbers. Birmingham school's low pupil numbers continues to be of concern.

Much time and effort was invested in the 2022 Autumn term, as the Nuneaton school underwent an Ofsted inspection. The CEO recommended a previously-used School Improvement Partner (SIP) to support the Principal with the implementation of policies and processes, and everyone worked hard to prepare themselves. It was therefore, very disappointing when, in November 2022, Ofsted delivered a Grade 4 (Inadequate) rating, highlighting a decline in educational standards. Due to the extended process, the report was not published until March 2023. Despite the outcome, the CEO was able to retain the Warwickshire C.C. contract, ensuring current pupils remained with the organisation.

As part of an internal evaluation for the downgrading of the Nuneaton School, the then Principal resigned, leaving in December 2022 with the SIP subsequently following at the end of the financial year. Additional staff, some in key positions, also left the organisation, but positively, a fully-qualified SENCo started work at Nuneaton school. At this point, a new recruitment process was also put in place and an experienced Principal was appointed in late March 2023, with Trustee Board members heavily involved in the recruitment and decision-making process.

The newly appointed Principal has been clear from the outset about the high standards necessary to meet Ofsted's Educational Inspection Framework (EIF), and immediately started working with the CEO and School Leaders to review and update the current Action Plan, which will also be rolled out at our Birmingham school. Staff recruitment and retention will be focused on as a whole during the 2023-24 school year, with the likelihood of further changes taking place, as the new Principal seeks to build a more effective team. The Trustee Board is very positive about the new appointments made.

At this time, the Trustee Board has requested the CEO and SLT members provide a strategy document and operational plan, to run alongside the Ofsted 'Action Plan' so they can see in detail, how business development is to be driven, business objectives achieved and Ofsted's EFI, met.

A separate staffing issue distracted from important work during a large part of the Spring term. The CEO had appointed a Site Manager in November 2022 to work across both schools, managing premises and Health & Safety. Considered unsuitable for the position within a very short time, a dismissal process was started and then challenged by the individual. The issue of dealing with a subsequent claim of 'whistleblowing' and grievances from both parties, has necessitated the involvement of two Trustees and a member of the SLT, at great cost to everyone's time – this will likely be an ongoing process that will run into 2024, culminating in an Industrial Tribunal. Attendant legal costs have already had a financial impact for this year, with future costs unable to be forecast with any accuracy, highlighting a potential area of financial risk for the Charity,

At this time, the Trustee Board has requested the CEO and Finance Director provide them with specific financial information and business forecasts on a more frequent basis, so that the Charity's financial position can be accurately monitored.

The 2022-23 school year has been disappointing for Values Academy, with a number of specific areas highlighted that require reform, in order to both attain and maintain the aims and objectives of the Charity. The appointment of the new Principal will see a focus on much higher standards of education and teaching next academic year, with our pupils firmly at the forefront. The Trustee Board recognises the effort put in by SLT members and staff from across all areas of the organisation this financial year, and plans to continue supporting the leadership of Values Academy wherever possible, with a keen focus on maintaining the Charity's financial sustainability.

(1) Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) Improvement Plan 2022 and 2023

VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review and financial management policies

In the 2022-23 financial year, the Charity returned a surplus of £28k, representing a small increase (£20k) over the previous year. Revenue increased by £110k, over the previous year, but a shortfall of £99k against the full year budget was still seen, driven by lower than anticipated student numbers - (40 versus a budget number of 50). There was an increase in costs of £90k, but most ran below budget due to the lower staff numbers.

The main movements in costs derived from:-

- Staff costs – plus £57k following a salary increase of 10% for the lowest paid staff in order to bring them up to a more equitable salary level, and enable the recruitment of higher-level staff
- The revenue shortfall was offset by lower costs resulting from a lower staffing complement and savings in running costs
- Birmingham school has operated at a deficit of £41k while the Nuneaton school had generated a surplus of £426k; the full year outturn emphasising the need to increase the pupil numbers, particularly in Birmingham

Cashflow remained good during the year with much improved debt collection – debtors reducing by £19k. Cash in hand at year end stood at £246k showing an increase of £17k over the previous year. The stable financial position and the strong cashflow allowed the Charity to invest £28k of capital expenditure with improvements to the buildings (£16k) and updated IT kit. Once again, the Charity managed the cashflow so there was no need to utilise overdraft facilities or delay payments to suppliers.

Regular management accounts and forecasts are prepared and reviewed by the Trustees.

Overall, the Charity has produced a good set of financial accounts for the year but it should be noted that there are significant risks in the future, if not mitigated, including:-

- The quality of our education provision needs to improve to meet Ofsted's EFI and keep our schools open. This means we have to attract experienced staff to deliver a new and improved curriculum and fund higher recruitment costs
- Pupil recruitment must be improved to maintain necessary revenue levels. The charity will need to improve its business development contacts with key contractors to sustain a steady pipeline of pupils. Higher fees are needed with a better balance of new incoming students, versus those leaving due to their age profile
- The ongoing 'whistleblowing' and grievance that is set to go to tribunal, (outlined elsewhere in this report), is likely to continue to consume both management time and costs

Information on Restricted Funds is given in note 13 to the accounts.

Financial management policies

To ensure the charity is managed efficiently and effectively, the Board of Trustees have delegated a range of day-to-day decision-making powers to the CEO, who reports directly to the Board of Trustees. The Board of Trustees has also established appropriate controls and reporting mechanisms to ensure that the charity operates within the scope of the powers delegated to it. The delegation policy is updated on an on-going basis and is formally reviewed and approved by Trustees as amendments are required. Remuneration of staff (all of whom are employees) is subject to approval by the Board of Trustees with performance a key benchmark.

Reserves policy

The charity's income consists almost entirely of restricted funds, being charges for the education of particular students. A proportion of these charges relates to the running costs of the charity. The charity manages its cash flows carefully with the aim of ensuring that it can continue in operation for a period of four months in the case of a falloff in student numbers.

VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The major risks identified by the Trustees are a reduction in pupil numbers with a corresponding reduction in income, with the need to also secure a higher, 'market rate' fee per pupil from Local Authorities. The highest risk is a precursor to the first two – failing to be a 'provider of choice', by not meeting the requirements for the highest, recognised standard of educational provision. The Trustees believe that the strategic planning, business development and financial control procedures they have introduced, provide reasonable mitigation against this risk.

The Trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Plans for future periods

The CEO, SLT and Board of Trustees, recognise that a number of failings have occurred over the course of the 2022-23 school year, resulting in the 'Inadequate' Ofsted rating for the Nuneaton school, departure of staff in key positions, declining pupil numbers and dwindling revenue. Key priorities will be addressed in all of these areas for the 2023-24 school year. There is a critical need to review the Charity's strategy, business development and operational plans and processes, including recruitment, with a focus on ensuring the future financial security of the Charity.

Key priorities for the Charity in 2023-24 year are:

- Support the new Principal to successfully implement Ofsted's recommendations in Nuneaton, foster a whole-schools culture change and deliver a new and improved curriculum, which will also be reflected at the Birmingham school to give a whole-Academy approach
- Appoint a highly-recommended SIP with specialised experience, who will work with the new Principal to deliver and implement a new Action Plan, that will meet Ofsted's EDI
- Agree a collective, focused aim to work towards reaching and maintaining Ofsted grade 2 (good) judgement for both schools. Achieve the same grade 2 in the overall effectiveness inspection framework areas of: quality of education, leadership and management, behaviour and attitudes, and personal development
- Critically review and update the organisation's strategy, implement a strong business plan and make sure clear organisational and personal goals can be successfully achieved
- Assess our current organisational structure and define what changes will be needed to meet our future aims, whilst achieving financial sustainability
- Appoint a Strategic Consultant with SEND knowledge and local authority contacts, to drive higher-level fees and increased pupil numbers, in line with financial forecasting requirements
- Focus on effective recruitment and the retention of experienced and qualified staff, reviewing salaries to be commensurate with their roles and ability to deliver on an enhanced curriculum
- Recruit to the Trustee Board, utilising the NGA Trustee Skills Audit and other skills-based tools, with the objective of increasing diversity, whilst targeting additional expertise and knowledge

VALUES ACADEMY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, Governance and Management

The Charity is controlled by its governing document, a Memorandum and Articles of Association adopted at the Annual General Meeting on 16 December 2015. It constitutes a company limited by guarantee as defined by the Companies Act 2013.

The Charity is membership based. Membership is open to any individual or organisation interested in promoting the objects who

1. applies to the Charity in the form required by the Trustees, and
2. is approved by the Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

M Henman	(Retired 12 June 2023)
E Dimelor	(Resigned 3 February 2023)
R Josen	(Resigned 2 June 2022)
C Phillips	
E Rowe	
R Grindey	(Appointed 6 July 2022)

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The trustees may at any time appoint any individual who is qualified to be appointed as a trustee to fill a vacancy in their number or as an additional Trustee, but a co-opted Trustee holds office only until the next AGM.

The Chief Executive Officer, to whom day to day management of the charity is delegated, is Estelle Dimelor.

Auditor

A resolution proposing that LMH Accountants Limited T/A Trevor Jones & Co be reappointed as auditors of the company will be put to the members.

The Trustees' report was approved by the Board of Trustees.



R Grindey
Trustee

Date: 12TH DEC 2023

VALUES ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The directors, who also act as trustees for the charitable activities of Values Academy, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

VALUES ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF VALUES ACADEMY

Opinion

We have audited the financial statements of Values Academy (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

VALUES ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF VALUES ACADEMY

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

LMH Accountants Ltd

Stephen Lewis (Senior Statutory Auditor)

for and on behalf of LMH Accountants Limited T/A Trevor Jones & Co

14/12/2023

Chartered Accountants
Statutory Auditor

Old Bank Chambers
582-586 Kingsbury Road
Edlington
Birmingham
B24 9ND

LMH Accountants Limited T/A Trevor Jones & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

VALUES ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Restricted funds 2023 £	Restricted funds 2022 £
Income from:			
Charitable activities	3	1,262,053	1,152,722
Investments	4	211	-
Total income		<u>1,262,264</u>	<u>1,152,722</u>
Expenditure on:			
Charitable activities	5	<u>1,234,056</u>	<u>1,144,578</u>
Net income for the year/ Net movement in funds		28,208	8,144
Fund balances at 1 April 2022		<u>396,873</u>	<u>388,728</u>
Fund balances at 31 March 2023		<u><u>425,081</u></u>	<u><u>396,872</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

and Mohamed Singh

2023/04/11

VALUES ACADEMY

BALANCE SHEET

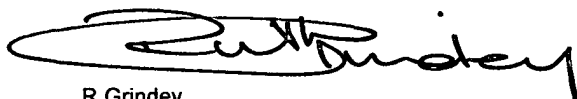
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	9		185,568		182,722
Current assets					
Debtors	10	94,021		113,270	
Cash at bank and in hand		246,377		229,723	
		340,398		342,993	
Creditors: amounts falling due within one year	12	(100,885)		(128,843)	
Net current assets			239,513		214,150
Total assets less current liabilities			425,081		396,872
Income funds					
Restricted funds	13		425,081		396,872
Unrestricted funds			-		-
			425,081		396,872

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under Part 15 of the Companies Act.

The financial statements were approved by the Trustees on 12 December 2023



R Grindey
Trustee

Company registration number 03618159

VALUES ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	17		44,045		30,611
Investing activities					
Purchase of tangible fixed assets		(27,261)		(22,874)	
Investment income received		211		-	
Net cash used in investing activities			(27,050)		(22,874)
Financing activities					
Repayment of borrowings		-		(24,500)	
Repayment of bank loans		-		(2,035)	
Net cash used in financing activities			-		(26,535)
Net increase/(decrease) in cash and cash equivalents			16,995		(18,798)
Cash and cash equivalents at beginning of year			229,382		248,180
Cash and cash equivalents at end of year			246,377		229,382
Relating to:					
Cash at bank and in hand			246,377		229,723
Bank overdrafts included in creditors payable within one year			-		(341)

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Values Academy is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Key Hill, Hockley, Birmingham, B18 5PB.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Values Academy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1.5 Expenditure

Expenditure is accounted for on an accrual basis and has been clarified under headings that aggregate all costs relating to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Plant and machinery	25% Straight line
Fixtures, fittings & equipment	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	Student fees - special needs	Student fees - Other	Pupil premium	Total 2023	Total 2022
	2023	2023	2023		
	£	£	£	£	£
Income within charitable activities	996,656	254,708	10,689	1,262,053	1,152,722

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Investments

	Restricted funds	Total
	2023	2022
	£	£
Interest receivable	211	-

5 Charitable activities

	Charitable Expenditure 2023	Charitable Expenditure 2022
	£	£
Staff costs	877,309	828,813
Depreciation and impairment	24,415	23,792
Rent and rates	35,637	28,096
Teaching materials and course fees	33,943	23,584
Insurance	8,179	7,038
Light and heat	19,881	18,914
Repairs and maintenance	20,592	19,932
Postage and stationery	13,098	10,422
Telephone	21,307	19,864
Travelling	21,824	11,449
Bank charges	-	242
Legal and professional fees	43,291	17,959
Auditors remuneration	5,423	5,500
Auditors fees for non-audit work.	3,332	3,305
Activities and visits	99,129	115,621
Subscriptions	4,621	3,190
Other charitable expenditure	2,075	6,857
	<u>1,234,056</u>	<u>1,144,578</u>

6 Trustees

Trustees expenses were paid totalling £138.73 (2022 - £197.80).

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	38	37
	<u> </u>	<u> </u>
Employment costs	2023 £	2022 £
Wages and salaries	791,501	745,594
Social security costs	58,857	46,645
Other pension costs	19,421	19,333
	<u>869,779</u>	<u>811,572</u>

8 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2022	270,579	201,132	56,072	527,783
Additions	19,316	6,460	1,485	27,261
	<u>289,895</u>	<u>207,592</u>	<u>57,557</u>	<u>555,044</u>
At 31 March 2023				
Depreciation and impairment				
At 1 April 2022	101,580	187,476	56,005	345,061
Depreciation charged in the year	15,887	8,330	198	24,415
	<u>117,467</u>	<u>195,806</u>	<u>56,203</u>	<u>369,476</u>
At 31 March 2023				
Carrying amount				
At 31 March 2023	172,428	11,786	1,354	185,568
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2022	168,999	13,656	67	182,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	68,716	81,705
Other debtors	8,734	8,734
Prepayments and accrued income	16,571	22,831
	<u>94,021</u>	<u>113,270</u>

11 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts	-	341
Payable within one year	-	341

12 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank overdrafts	11	-	341
Other taxation and social security		13,824	15,561
Trade creditors		35,430	23,885
Other creditors		24,500	24,500
Accruals and deferred income		27,131	64,556
		<u>100,885</u>	<u>128,843</u>

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Education	<u>388,728</u>	<u>1,152,722</u>	<u>(1,144,577)</u>	<u>396,873</u>	<u>1,262,264</u>	<u>(1,234,056)</u>	<u>425,081</u>

VALUES ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Analysis of net assets between funds

	Restricted funds 2023 £	Restricted funds 2022 £
Fund balances at 31 March 2023 are represented by:		
Tangible assets	185,568	182,722
Current assets/(liabilities)	239,513	214,150
	<u>425,081</u>	<u>396,872</u>

15 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	33,600	33,600
Between two and five years	25,200	58,800
	<u>58,800</u>	<u>92,400</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

17 Cash generated from operations

	2023 £	2022 £
Surplus for the year	28,208	8,144
Adjustments for:		
Investment income recognised in statement of financial activities	(211)	-
Depreciation and impairment of tangible fixed assets	24,416	23,793
Movements in working capital:		
Decrease/(increase) in debtors	19,249	(41,638)
(Decrease)/increase in creditors	(27,617)	40,312
Cash generated from operations	<u>44,045</u>	<u>30,611</u>